



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of
Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF AIR QUALITY
Cheryl Heying
Director

DAQ-062-08

M E M O R A N D U M

TO: Air Quality Board

THROUGH: Cheryl Heying, Executive Secretary

FROM: Colleen Delaney, Environmental Scientist

DATE: August 6, 2008

SUBJECT: FINAL ADOPTION: R307-150. Emission Inventories.

On June 4, 2008, the Air Quality Board proposed for comment amendments to R307-150. Emission Inventories.

A public hearing was held on July 17, 2008; several attended but none made comments. No comments were received during the public comment period, July 1-31, 2008.

Staff Recommendation: Staff recommends that R307-150 be adopted as proposed.

and corrections were made to the SIP that were identified by EPA during their review of the 2003 SIP.

STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS RULE: Subsection 19-2-104(3)(e)

THIS RULE OR CHANGE INCORPORATES BY REFERENCE THE FOLLOWING MATERIAL: State Implementation Plan Section XX, Regional Haze, 2008

ANTICIPATED COST OR SAVINGS TO:

❖ **THE STATE BUDGET:** No cost or savings are anticipated with this rule change. No new requirements were created with this rule change that impact state budget.

❖ **LOCAL GOVERNMENTS:** No cost or savings are anticipated with this rule change. No new requirements were created with this rule change that impact local government.

❖ **SMALL BUSINESSES AND PERSONS OTHER THAN BUSINESSES:**
Small Business: No cost or savings are anticipated with this rule change. No new requirements were created with this rule change that impacted small businesses. **Other Persons:** The only affected entity is PacifiCorp. at Hunter Units 1 and 2 and Huntington Units 1 and 2. UDAQ has estimated the total compliance cost for these 4 units to be \$414,000,000 per unit. However this cost includes other upgrades that are not required by this rule. It is impossible to itemize the actual cost for the required upgrades mentioned in this rule change. There are no other affected persons.

COMPLIANCE COSTS FOR AFFECTED PERSONS: The only affected entity is PacifiCorp. at Hunter Units 1 and 2 and Huntington Units 1 and 2. UDAQ has estimated the average compliance cost for these 4 units to be \$103,500,000 per unit. However this cost included other includes other upgrades that are not required by this rule. It is impossible to itemize the actual cost for the required upgrades mentioned in this rule change. There are no other affected persons.

COMMENTS BY THE DEPARTMENT HEAD ON THE FISCAL IMPACT THE RULE MAY HAVE ON BUSINESSES: Aside from PacifiCorp.'s required upgrades on Hunter Units 1 and 2 and Huntington Units 1 and 2, no other costs are anticipated for business in Utah. Rick W. Sprott, Executive Director

THE FULL TEXT OF THIS RULE MAY BE INSPECTED, DURING REGULAR BUSINESS HOURS, AT:

ENVIRONMENTAL QUALITY
 AIR QUALITY
 150 N 1950 W
 SALT LAKE CITY UT 84116-3085, or
 at the Division of Administrative Rules.

DIRECT QUESTIONS REGARDING THIS RULE TO:

Kimberly Kreykes at the above address, by phone at 801-536-4042, by FAX at 801-536-4099, or by Internet E-mail at kkreykes@utah.gov

INTERESTED PERSONS MAY PRESENT THEIR VIEWS ON THIS RULE BY SUBMITTING WRITTEN COMMENTS TO THE ADDRESS ABOVE NO LATER THAN 5:00 PM on 07/31/2008

INTERESTED PERSONS MAY ATTEND A PUBLIC HEARING REGARDING THIS RULE: 7/17/2008 at 2:00 PM, DEQ Bldg, 168 N 1950 W, Room 201, Salt Lake City, UT.

THIS RULE MAY BECOME EFFECTIVE ON: 08/07/2008

AUTHORIZED BY: Bryce Bird, Planning Branch Manager

R307. Environmental Quality, Air Quality.

R307-110. General Requirements: State Implementation Plan.

R307-110-28. Regional Haze.

The Utah State Implementation Plan, Section XX, Regional Haze, as most recently amended by the Utah Air Quality Board on [May 5, 2004]2008, pursuant to Section 19-2-104, is hereby incorporated by reference and made a part of these rules.

KEY: air pollution, PM10, PM2.5, ozone

Date of Enactment or Last Substantive Amendment: [May 2, 2004]2008

Notice of Continuation: March 15, 2007

Authorizing, and Implemented or Interpreted Law: 19-2-104(3)(e)

Environmental Quality, Air Quality **R307-150-4** Sulfur Dioxide Milestone Inventory Requirements

NOTICE OF PROPOSED RULE

(Amendment)

DAR FILE No.: 31558

FILED: 06/13/2008, 12:44

RULE ANALYSIS

PURPOSE OF THE RULE OR REASON FOR THE CHANGE: Utah's 2003 Regional Haze State Implementation Plan (SIP) contained sulfur dioxide (SO₂) milestones that were based in part on 1999 SO₂ emissions from power plants that were reported to the federal acid rain program. In the middle of 1999, EPA changed the flow rate methodology that could be used to measure emissions for the acid rain program and in some cases the new flow rates could lead to a significant change in reported emissions. To ensure that real emission changes were being measured, Rule R307-150 required power plants that were using the new flow rate methodology to adjust their emissions back to the old methodology for purposes of comparing regional SO₂ emissions to the regional SO₂ milestone. Due to proposed changes in the Regional Haze SIP, this adjustment is no longer needed.

SUMMARY OF THE RULE OR CHANGE: The modification to Rule R307-150 removes requirements for power plants that were using the new flow rate methodology to adjust their emissions back to the old methodology for purposes of comparing regional SO₂ emissions to the regional SO₂ milestone. In addition, sources that make changes to their measurement

methodology in the future should ensure that their emissions can be compared to their reported emission in 2006 rather than the earlier inventories of 1998 and 1999 as required by the current rule.

STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS RULE: Subsection 19-2-104(1)(c)

ANTICIPATED COST OR SAVINGS TO:

❖ THE STATE BUDGET: A savings may accrue due to the removal of the requirement for affected parties having to adjust SO₂ emissions using an old methodology because the state will no longer have to verify the changes.

❖ LOCAL GOVERNMENTS: No costs or savings are anticipated with this rule change. No new requirements were created that affect local government.

❖ SMALL BUSINESSES AND PERSONS OTHER THAN BUSINESSES: Small Business: A savings may accrue due to the removal of the requirement for affected parties having to adjust SO₂ emissions using an old methodology. Other Persons: A savings may accrue due to the removal of the requirement for affected parties having to adjust SO₂ emissions using an old methodology.

COMPLIANCE COSTS FOR AFFECTED PERSONS: No costs are expected to comply with this revision. No new requirements were created.

COMMENTS BY THE DEPARTMENT HEAD ON THE FISCAL IMPACT THE RULE MAY HAVE ON BUSINESSES: The revision to Rule R307-150 simplifies the submission of SO₂ emissions from sources. It removes a requirement that the submitter must adjust their emissions using an old methodology. Removal of this requirement may result in a cost savings. Rick W. Sprott, Executive Director

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THIS RULE MAY BECOME EFFECTIVE ON: 08/07/2008

AUTHORIZED BY: Bryce Bird, Planning Branch Manager

R307. Environmental Quality, Air Quality.

R307-150. Emission Inventories.

R307-150-4. Sulfur Dioxide Milestone Inventory Requirements.

(1) Annual Sulfur Dioxide Emission Report.

(a) Sources identified in R307-150-3(1) shall submit an annual inventory of sulfur dioxide emissions beginning with calendar year 2003 for all emissions units including fugitive emissions.

(b) The inventory shall include the rate and period of emissions, excess or breakdown emissions, startup and shut down emissions, the specific emissions unit that is the source of the air pollution, type and efficiency of the air pollution control equipment, percent of sulfur content in fuel and how the percent is calculated, and other information necessary to quantify operation and emissions and to evaluate pollution control efficiency. The emissions of a pollutant shall be calculated using the source's actual operating hours, production rates, and types of materials processed, stored, or combusted during the inventoried time period.

(2) Each source subject to R307-150-4 that is also subject to 40 CFR Part 75 reporting requirements shall submit a summary report of annual sulfur dioxide emissions that were reported to the Environmental Protection Agency under 40 CFR Part 75 in [lieu] lieu of the reporting requirements in (1) above.

(3) Changes in Emission Measurement Techniques.[

(a) Each source subject to R307-150-4 that is also subject to 40 CFR Part 75 and that uses 40 CFR Part 60, Appendix A, Test Methods 2F, 2G, or 2H to measure stack flow rate shall adjust reported sulfur dioxide emissions to ensure that the reported sulfur dioxide emissions are comparable to 1999 emissions. The calculations that are used to make this adjustment shall be included with the annual emission report. The adjustment shall be calculated using one of the methods in (i) through (iii) below:

(i) Directly determine the difference in flow rate through a side-by-side comparison of data collected with the new and old flow reference methods required during a relative accuracy test audit (RATA) test under 40 CFR Part 75.

(ii) Compare the annual average heat rate using heat input data from the federal acid rain program (million Btu) and total generation (megawatt (MW) Hrs) as reported to the federal Energy Information Administration. The flow adjustment will be calculated by using the following ratio: (Heat input/MW for first full year of data using new flow rate method) divided by (Heat input/MW for last full year of data using old flow rate method).

(iii) Compare the cubic feet per minute per MW before and after the new flow reference method based on continuous emission monitoring data submitted in the federal acid rain program, using the following equation: (Standard cubic feet (SCF)/Unit of generation for first full year of data using new flow rate method) divided by (SCF/unit of generation for last full year of data using old flow rate method).

(b) Each source subject to R307-150-4 that uses a different emission monitoring or calculation method than was used to report their sulfur dioxide emissions in [1998] 2006 under R307-150 or [1999 under] 40 CFR Part 75 shall adjust their reported emissions to be comparable to the emission monitoring or calculation method that was used in 2006 [1998 or 1999, as applicable]. The calculations that are used to make this adjustment shall be included with the annual emission report.

KEY: air pollution, reports, inventories

Date of Enactment or Last Substantive Amendment: ~~December 31, 2003~~ 2008

Notice of Continuation: February 9, 2004

Authorizing, and Implemented or Interpreted Law: 19-2-104(1)(c)

Environmental Quality, Air Quality R307-250 Western Backstop Sulfur Dioxide Trading Program

NOTICE OF PROPOSED RULE

(Amendment)

DAR FILE No.: 31559

FILED: 06/13/2008, 12:45

RULE ANALYSIS

PURPOSE OF THE RULE OR REASON FOR THE CHANGE: In 2003, the Air Quality Board adopted Rule R307-250 to establish the requirements of a backstop trading program for sulfur dioxide (SO₂) as part of Utah's Regional Haze State Implementation Plan (SIP). The rule and SIP were submitted to EPA in 2003. EPA raised a number of issues during their review of the submittal. In response to the issues raised by EPA, the following changes to Rule R307-250 are proposed.

SUMMARY OF THE RULE OR CHANGE: The following changes to Rule R307-250 are proposed: 1) Financial Penalties. When the backstop trading program was developed by the Western Regional Air Partnership (WRAP), of which Utah is a member, the SO₂ milestones were designed to require most of the regional emission reductions in the year 2018. It was very important that this milestone be met, so the WRAP agreed to an automatic penalty of \$5,000/ton of excess emissions; 2) Special Reserve Compliance Accounts. The rule has been revised to clarify how allowances that were allocated for sources without CEMs will be used to determine compliance. These allowances may not be traded, but may be used to show compliance; and 3) clarifications and corrected citations. EPA identified a number of provisions that needed clarification or that had incorrect citations. These changes occur throughout the rule and do not substantively change the intent of the rule.

STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS RULE: Subsections 19-2-104(1)(a) and 19-2-104(3)(e)

ANTICIPATED COST OR SAVINGS TO:

◆ **THE STATE BUDGET:** No costs or savings are anticipated with this rule change. No new requirements were created with this rule change that impact state budget.

◆ **LOCAL GOVERNMENTS:** No costs or savings are anticipated with this rule change. No new requirements were created with this rule change that impact local government.

◆ **SMALL BUSINESSES AND PERSONS OTHER THAN BUSINESSES:** Small Business: No costs or savings are anticipated with this rule change. No new requirements were created with this rule

change that impact small businesses. Other Persons: No costs or savings are anticipated with this rule change. No new requirements were created with this rule change that impacts other persons.

COMPLIANCE COSTS FOR AFFECTED PERSONS: No costs or savings are anticipated with this rule change. No new requirements were created with this rule change.

COMMENTS BY THE DEPARTMENT HEAD ON THE FISCAL IMPACT THE RULE MAY HAVE ON BUSINESSES: The revisions to Rule R307-250 clarify provisions and conforms to the changes in the Regional Haze SIP. It also strengthened the language regarding the penalty if the SO₂ milestones are not met. It is expected that the milestones will be met, thus the penalty is not anticipated to be assessed. Rick W. Spriott, Executive Director

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THIS RULE MAY BECOME EFFECTIVE ON: 08/07/2008

AUTHORIZED BY: Bryce Bird, Planning Branch Manager

R307. Environmental Quality, Air Quality.

R307-250. Western Backstop Sulfur Dioxide Trading Program.

R307-250-3. WEB Trading Program Trigger.

(1) Except as provided in (2) below, R307-250 shall ~~apply~~ become effective on the program trigger date that is established in accordance with the procedures in SIP Section XX.E.1.c.

(2) Special Penalty Provisions for the [Year] 2018 Milestone, R307-250-13, shall ~~apply~~ become effective on January 1, 2018, and shall remain effective until the requirements of R307-250-13 have been met.

R307-250-4. WEB Trading Program Applicability.

(1) General Applicability. R307-250 applies to any stationary source or group of stationary sources that are located on one or more contiguous or adjacent properties and that are under the control of the same person or persons under common control, belonging to the same